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SIPDIS

USDOC FOR 532/OEA/LHINES/DFARROW
USDOC FOR 3132 FOR FCS/OIO REGIONAL DIRECTOR WILLIAM
ZARIT
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS

SIPDIS

E.O. 12958: N/A

TAGS: BMGT BEXP HK ETRD ETTC

SUBJECT: EXTRANCHECK: POST SHIPMENT VERIFICATION: HEYRO
CHEMICAL COMPANY LIMITED

REF: A) USDOC 06045

1. Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

¶2. As per reftel A request and at the direction of the Office of Enforcement Analysis (OEA) of the USDOC Bureau of Industry and Security (BIS), Export Control Officer Philip Ankel (ECO) conducted a post shipment verification (PSV) at Heyro Chemical Company Limited (Heyro), Lot 12, North Tsing Yi, Kowloon, Hong Kong. The item in question is synthetic resin tenite acetate exported to Heyro on July 29, 2006 and valued at USD 71, 492. The ECCN listed on the Shippers Export Declaration is EAR99. Items properly classified as EAR99 may be exported and reexported license-free to virtually all destinations worldwide. The exporter is Eastman Chemical Company of Kingsport, Tennessee.

¶3. The ECO visited Heyro at the address referenced above on November 20, 2006 and met with Mr. Anthony Khong, Sales Manager and Mr. Norman Wong, Executive Director of CM Holdings (the holding company that owns Heyro). Mr. Khong and Mr. Wong provided background on Heyro and its business, which involves the sales and distribution of chemicals to the optical parts manufacturing market and to other trading companies in Hong Kong. Mr. Wong stated that Heyro is one of several companies that form the CM Holdings Group (more background can be found at www.cmholdings.com). Besides Heyro Chemical Company, Limited, CM Holdings controls Heyro Optical Co. Limited (manufacturer and distributor of eyewear in Hong Kong and mainland China), Sealand Environ-tech Co. Ltd. (environmental services provider), and Leung Wan Kee Shipyard Limited.

¶4. Mr. Khong stated that the shipment in question had been sold to Eleung Limited, an eyewear manufacturer in Hong Kong for production of eyewear in Hong Kong. Mr. Khong produced for the ECO an invoice reflecting the sale of tenite cellulose acetate to Eleung Limited in Hong Kong dated October 10, 2006 as well as a corresponding delivery order also dated October 10, 2006.

¶5. At the time visited, Heyro appeared to be a suitable recipient of the commodities shipped since Heyro cooperated with the PSV and provided all requested information concerning the use and final disposition of the shipment. At the same time, the ECO was not able

to inspect the subject item as it had already been delivered to Heyro's customer, Eleung. Consistent with guidance on reporting of PSVs where the items cannot be physically inspected, the ECO recommends that this PSV be classified as Limited.

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